# AN ECONOMIC DEVELOPMENT STRATEGY FOR THE CARLETON REGIONAL DEVELOPMENT COMMISSION

Prepared for:

The Carleton Regional Development Commission

Prepared by:

The DPA Group Inc.

Fredericton, N.B.

May 1985

## TABLE OF CONTENTS


| | | Page |
|---|---|---|
| EXECUTIVE SUMMARY | | |
| 1.0 | INTRODUCTION | 1 |
| 1.1 | Background | 1 |
| 1.2 | Objectives | 1 |
| 1.3 | Approach | 2 |
| 1.4 | Organization | 4 |
| 2.0 | THE CARLETON REGION ECONOMY | 5 |
| 2.1 | Description of the Region | 5 |
| 2.2 | Structure of the Economy | 5 |
| 2.2.1 | Population | 5 |
| 2.2.2 | Employment | 8 |
| 2.2.3 | Unemployment | 12 |
| 2.3 | The Economic Base | 13 |
| 2.4 | Primary Activities | 14 |
| 2.4.1 | Agriculture | 15 |
| 2.4.2 | Packing Lines - a Special Case | 16 |
| 2.4.3 | Forestry | 16 |
| 2.4.4 | Mining and Extraction | 17 |
| 2.5 | Manufacturing Activities | 17 |
| 2.5.1 | Food and Beverage | 17 |
| 2.5.2 | Sawmills | 18 |
| 2.5.3 | Machinery Industries | 19 |
| 2.5.4 | Transportation Equipment Industries | 19 |
| 2.5.5 | Other Manufacturing Industries | 19 |
| 2.5.6 | Wood Industries | 20 |
| 2.5.7 | Chemical Products | 20 |
| 2.5.8 | Printing, Publishing and Allied Industries | 20 |
| 2.5.9 | Non-Metallic Mineral Products | 20 |
| 2.5.10 | Metal Fabricating Industries | 21 |
| 2.5.11 | Petroleum and Coal Products Industries | 21 |
| 2.5.12 | Furniture and Fixture | 21 |
| 2.5.13 | Paper and Allied | 22 |
| 2.5.14 | Textile Products Industries | 22 |
| 2.5.15 | Electrical Products Industries | 22 |
| 2.5.16 | Rubber and Plastic | 22 |
| 2.6 | Trucking | 24 |
| 2.7 | Other Basic Activities | 24 |

2.7.1 Community College 25
2.7.2 Agriculture Research and Development 25
2.7.3 Customs 25
2.7.4 Tourism 25
2.7.5 Other Basic Activities - Summary 26

2.8 The Changing Structure of the Economic Base 26
2.9 Non-Basic Activities 27

3.0 CARLETON REGIONAL DEVELOPMENT COMMISSION 28

3.1 Provincial Context 28
3.2 The CRDC 29

3.2.1 Historical Development of the CRDC 30
3.2.2 Territory 30
3.2.3 Organization 30

3.3 Services Offered 31
3.4 Resources 32

3.4.1 Budget 32
3.4.2 Staff 33
3.4.3 Staff Activities and Time Allocation 33
3.4.4 Physical Facilities 34

3.5 Assessment of Commission Activities 34

3.5.1 Community Perceptions 34
3.5.2 Commitment 35

3.6 Major Issues Regarding CRDC Organization and Operation 36

4.0 ASSESSMENT OF THE REGION AND ITS POTENTIAL 37

4.1 The Regional Economy 37
4.2 Strengths and Weaknesses of the Region 38

4.2.1 Strengths 38
4.2.2 Weaknesses 39

4.3 Avenues of Growth 40

4.3.1 Manufacturing 40
4.3.2 Exploitation of the Proximity to the U.S. 43
4.3.3 Expansion of Trucking and Truck-Related Activity 43

4.3.4 "Head Office" Activity 44
4.3.5 Potatoes 44

4.4 Potential Employment 44

5.0 THE STRATEGY 47

5.1 Mission Statement 47
5.2 Goals and Objectives 49

5.2.1 Stimulating the Expansion of Existing Manufacturers 49
5.2.2 New Firms 50
5.2.3 Capitalizing on the Proximity to the U.S. 51
5.2.4 Make Carleton the "Trucking Capital of Atlantic Canada" 52
5.2.5 Expanding Non-Basic Export Activities 52
5.2.6 The Potato Industry 53

5.3 The Action Plan 54
5.4 Monitoring and Evaluation 54

6.0 ORGANIZATION 55

***

APPENDIX A - THE MANUFACTURING BASE
APPENDIX B - GOVERNMENT POLICY ON REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS

## EXECUTIVE SUMMARY

### 1. INTRODUCTION

This report presents as a strategic plan for the staff, directors and members of the Carleton Regional Development Commission (CRDC). The report contains an analysis of the region's economic growth and development; potential avenues of growth; an assessment of the activities of the CRDC; and a mission statement and specific objectives for the Commission for the next five years.

The CRDC is the focal point for economic development activity in the central St. John River Valley area. The region's territory includes Carleton County and the more westerly part of York County. There are two towns and six villages in the region and these comprise the membership of the Commission:

- Woodstock
- Hartland
- Bristol
- Bath
- Florenceville
- Centreville
- Canterbury
- Meductic

### 2. THE ECONOMY OF THE CARLETON REGION

A large portion of the region's economic activity is oriented towards the primary agricultural sector and to a lesser degree the forest industry. The region contains a strong and dynamic manufacturing and processing sector which has grown from the primary base and has in recent years, expanded and diversified into varied markets.

## Population

The population of the Carleton Region in 1981 was 26,015. This represented a very slight increase over the 1976 census of 25,936 and the 1966 census of 24,820. The annual population growth rate over the last fifteen years has been 0.3 percent.

While population has been stable for the region as a whole, there has been a shift in its location during the last five years. All the municipalities, with the exception of Meductic, have lost population over this period, while the unincorporated areas have increased in population by 4.2 percent.

The population is aging at a rate substantially above the provincial average. The 65+ age group make up 13 percent of the total population as compared to 11 percent for the province as a whole. In the towns of Woodstock and Hartland, the 65+ population represents 19 and 20 perecent of the total population respectively.

## Employment

The total size of the labour force in 1981 was 10,975, an increase of 13.5 percent over the 1971 level.

The composition of the labour force by sector is as follows:

| | Employment | Percent | Increase (Decrease) Since 1971 |
|---|---|---|---|
| . Primary Sector | 1,890 | 17.2% | (8.3%) |
| . Secondary Sector | 2,985 | 27.2% | 28.1% |
| . Tertiary Sector | 6,100 | 55.6% | 16.1% |

There has been a steady shift in the makeup of the labour force away from primary activities during the last 10 years. The primary sector (forestry and agriculture) employed 170 fewer people in 1981 than in 1971, while 655 more people worked in manufacturing and 845 more in the service sector.

## Unemployment

The region has one of the lower unemployment rates in the province although there are pockets within the region where unemployment is high. In 1981, unemployment in the region was 10.0 percent, as compared to a provincial average of 13.0 percent. Within individual communities, unemployment ranges from a low of 4.0 percent to a high of 16.1 percent.

## The Economic Base

In the Carleton Region, the economic base consists of approximately 4,500 jobs. These are distributed in the following way:

| | |
|---|---|
| Primary | |
| - Agriculture | 1,300 |
| - Forestry | 400 |
| Manufacturing | 2,200 |
| Trucking | 550 |
| Agriculture research, Community College, Tourism | 50 |
| TOTAL | 4,500 |

The potato industry is the major component of the agriculture sector. New Brunswick's potato industry has been in a steady decline in recent years. Quebec and Ontario, which have been New Brunswick's biggest markets are

becoming more self-sufficient. The U.S., primarily as a result of pressure from Maine growers concerned with the high volume of imports, is becoming more protectionist. The agriculture sector generally has had declining employment during the last ten years. It is possible that this sector will decline even more rapidly if there is no significant turnaround in the potato industry.

Forestry is the second major primary activity with 26.2 percent of total primary employment. Decreases in employment, or, at best, a maintenance of existing employment, can be expected over the next few years. The forestry sector is directly linked to the general economic health of the economy particularly the housing industry.

Manufacturing has been the major source of job creation in the economic base. Of a total of 55 firms in the manufacturing base in 1984, 18 were created between 1979 and 1984.

These new firms accounted for virtually all of the net new jobs in the region. Employment in all manufacturing firms increased by 274 between 1979 and 1984. Of this total, 250 jobs were created by the 18 new firms.

Within the manufacturing sector, the types of firms generating the most employment growth were those in:

- food and beverage (82 new jobs);
- metal fabricating and machinery (54 new jobs); and
- furniture and fixtures (14 new jobs).

One manufacturing sector, sawmilling, actually reduced employment over the five years. A sawmill in Stickney

recently closed its operations resulting in a net loss of jobs in the sawmill sector of 14 over the 5 year period.

Truck transportation is an important component in the economic base. This is a very active sector and one which has a high level of entrepreneurship and independent operators. Spinoff activity around the trucking industry has prospered, including relining of brake shoes, manufacturing of tarps, truck repair shops and refrigeration servicing. It is estimated that approximately 550 people are directly employed in trucking either as employees of larger firms or owner/operators.

The remaining four activities in the economic base - Community College, agriculture research and development; customs and border-related activity, and tourism - represent a small, but growing number of jobs and potential for additional job creation.

## Non-Basic Activities

The non-basic or service sector is relatively well developed, with most of the basic business services required by the region's firms, such as accounting, legal, engineering, printing and transportation services being available.

## 3. THE CARLETON REGIONAL DEVELOPMENT COMMISSION

The CRDC opened for business in January 1982, as an autonomous corporation, incorporated under the New Brunswick Companies' Act.

Control and operation of the CRDC is the responsibility of a Board of Directors. The Board is made up of sixteen members. Two members are appointed by each of the member municipalities.

The CRDC is the main economic development agency in the region and is the primary point of contact for most of the small businesses seeking information or assistance with new business start-ups or expansions. Larger firms with extensive administrative resources who deal with senior levels of government such as DRIE on major expansion programs, tend not to require or use the services of the CRDC.

The operating budget for the Commission for 1984-85 amounted to $78,600. Commerce and Development's share of this budget amounted to $70,700, representing 90% of the total costs. The eight municipalities share the balance of the costs. Their contribution is divided according to population.

The staff of the CRDC consists of two full time employees, the General Manager and a secretary.

The premises currently occupied are a mainstreet storefront location in downtown Woodstock. The location provides excellent visibility for the Commission.

## 4. ASSESSMENT OF THE REGION AND ITS POTENTIAL

The regional economy is a strong and relatively healthy one. Employment is continuing to grow, despite reductions in the primary sector, the traditional employment base of the

region. In comparison to most other areas in the province the region's growth and employment levels are high. Employment has continued to increase at a rate above the population growth.

The population is aging with the result that the total regional labour force is not likely to grow in future at a rate faster than the overall growth rate of the region's population.

The region is diversifying its base away from resources such as agriculture and into manufacturing and processing.

The key for the future will be to keep adding new basic activities outside of the primary sector to offset expected losses in agriculture and forestry.

There remain some pockets of stagnant economic activity where one or two small successes could make a significant difference in terms of the overall employment in these areas.

## Key Strengths of the Region

A strategy for the future needs to be based on taking maximum advantage of the strengths of the region. In the case of the Carleton Region, these include the following five factors:

### Low Cost Labour Force

Many of the manufacturing firms attribute much of their growth to the fact that there is a loyal, hard working

products. There are many dynamic entrepreneurs who can be expected to continue to create new jobs and set examples for new entrepreneurs.

A Closely Knit, Integrated Economy

The residents of the region are mobile, and travel regularly to other parts of the region to work, shop and seek out services. There is no evidence of negative parochial attitudes which frequently impede the development of regionally-focussed strategies.

**Weaknesses of the Region**

It must be acknowledged that the region has some weaknesses which constrain its ability to grow or which represent problems to the overcome.

Declining Resource Base

The agriculture and forestry sectors are in a state of decline in terms of both employment and overall level of activity. The decline in jobs in these sectors must therefore be offset by corresponding increases elsewhere in the regional economy.

The CRDC's Scope is Limited to a Maximum of 1,500 Jobs

Although the economic base of the region consists of approximately 4,500 jobs, in fact the nubmer which the CRDC can influence is only approximately one-third of this number. The primary sector (with about 1,700 jobs) is not one on which the CRDC can expect to have any significant

labour force in the region. Furthermore, the rural nature of the region tends to result in average salary levels below the equivalent rates in urban centres.

A Major Employer Provides a Stable Income Base

The McCain family and their associated businesses account for approximately 40% of all the manufacturing jobs in the region. Historically, employment levels have been stable and there have been "no surprises". There has been no history of layoffs, major shutdowns or other threats which can seriously destabilize a single-industry economy.

Excellent Physical Location Relative to the United States

The Carleton Region has perhaps the best location of any in the Atlantic Provinces in terms of its road access to the U.S. and U.S. markets. It is the major border crossing for most of the tourists entering Canada from the United States as well as for most of the goods entering by truck. The region is also adjacent to a U.S. trade area of approximately 25,000 U.S. residents. The region is well positioned to exploit the exchange rate in providing goods and services to Americans.

The region should also be attractive to American firms in the Houlton area interested in expansion and/or seeking access to Canadian markets.

A Healthy and Dynamic Manufacturing Sector

The manufacturing sector has been very successful in finding new markets for its products and expanding to provide these

impact and the influence of McCain's (approximately 1,300 jobs in firms they directly own) is extremely strong and its areas of activity for all practical purposes and beyond the scope of the CRDC activity.

The Regional Entrepreneurs are Getting Older

They are most likely to be content with maintaining their businesses at a relatively stable level and not striving for the growth which they have had in the past.

The Potato Industry is in Trouble

New Brunswick growers are slowly losing their traditional markets. Competition is increasing as are tariff and other international barriers. The industry will need to make some fundamental changes in its marketing practices in order to prevent any further erosion of its market.

Avenues of Growth

Future growth in the region is likely to come from five principal avenues:

- increased manufacturing;
- exploitation of proximity to the U.S.;
- expansion of trucking and truck-related activity;
- head office activity; and
- potatoes.

Potential for Future Employment

Given the opportunities and constraints, the fundamental strengths of the region should be able to produce new

economic growth. An optimistic measure of the potential, which will require aggressive, focussed activity on the part of the CRDC, is the creation of 365 net new basic jobs over the next five years. If achieved, this will result in a growth rate of 1.6% per year, significantly higher than the growth in the labour force. The 365 net new jobs will come from:

- a loss of 200 jobs in the primary sector;
- a gain of 215 jobs in existing manufacturing firms;
- a gain of 100 jobs in trucking and truck-related activity; and
- a gain of 250 jobs in new firms to be added to the base over the next five years.

## 5. THE STRATEGY

The strategy which we propose for the next five years is one which focusses all the efforts of the CRDC on the economic base. In particular, we suggest six goals for the Commission in pursuing its mission of economic development.

Stimulating the Expansion of Existing Manufacturers: The CRDC's five year objective for job creation in this group of companies is 215 jobs. The dynamic firms should be the source of more than 100% of these jobs, to allow for growth and replace jobs which will inevitably be lost through closures and cutbacks. At least half of the dynamic firms should be encouraged to expand each year. Working with these "stars" should be a major commitment of time by the General Manager. Other existing firms can also be counted on for new job creation and the General Manager should work with these as well.

Create New Manufacturing Firms: Activities such as "entrepreneur of the year" awards, recognizing one of the "star" firms as a role model, and obtaining the maximum possible publicity for each regional success, will heighten enthusiasm and raise the value of local entrepreneurship Special efforts should be directed at the particularly underdeveloped communities in the region to achieve one or two small "successes" to start the ball rolling.

Capitalize on the Proximity to the U.S.: The CRDC can take the leadership in a number of activities designed to benefit from location of the region relative to the U.S. In the area of tourism, the CRDC has a captive market of 200,000 vehicles per year at the Houlton/Woodstock border crossing point. This should be taken advantage of as a "stage" for selling the region to entering tourists with the objective being to lengthen their stay.

The region is ideally located for local U.S. firms wanting to establish Canadian facilities to take advantage of exhange rates, tariffs or access to Canadian markets. The CRDC should carry out promotional efforts on the American side of the border with a view to making the Commission's services known in the Houlton area.

Expand Non-Basic Export Activities: The CRDC should set an objective of 5 new head office operations for service sector type firms in warehousing, retailing, distribution or related activites. There are dynamic non-basic entrepreneurs in the region and they should be actively encouraged to expand their territories, take over operations in other regions or set up local distribution activity to replace imports into the region.

Find new Opportunities for Marketing and Processing of Potatoes: The potato industry represents a particular challenge. It is an industry where there are already many major actors, including government, the Potato Agency, Potatoes Canada, shippers, growers and researchers. Nevertheless, the industry lacks a focus despite the existence of some good entrepreneurs. The CRDC can play the role of a co-ordinator and stimulus to start some projects going in this sector.

The CRDC should promote projects with a potential for viability and which would result in increased processing activity in the region. The new Agriculture Sub-Agreement contains provisions for marketing and feasibility studies. The CRDC's objective for the next five years is to have regional packers, processors or growers conduct studies and bring at least four good projects into being.

## 6. ORGANIZATION

The organization of the CRDC should be structured to assist in the effective implementation of the strategy. An important element will be to maintain a mix of board members representing elected officials and regional entrepreneurs with interest in and commitment to economic development. The board should be structured to provide for representation from key sectors involved in the strategy. Terms of office should be specified so as to provide for an orderly turnover of board members and a regular process of renewal.

Appointments should be made in consultation with the CRDC executive and General Manager so that each municipality can appoint representatives who will contribute particular

knowledge or expertise desired by the Commission. Each municipality should appoint a local entrepreneur who is not also an elected official to provide a balance between the views, ideas and orientations of the municipal politician, and those of the business community.

Economic development is as much as anything the creation of a positive attitude and a spirit of interest and excitement in the community. Above all, board members must project an image of confidence and faith in the future of the region. The CRDC will then be seen as a prestigious force in the community. It should be considered as an honour to serve and a privilege to be appointed. The composition of the board should reflect this attitude and view.

# 1.0 INTRODUCTION

## 1.1 Background

The Carleton Regional Development Commission (CRDC) is the most recent addition to New Brunswick's provincial network of Regional Economic Development Commissions. It was founded in 1982.

The CRDC is the front line agency for economic development activity in an area covering all of Carleton County plus the Villages of Canterbury and Meductic and the Parish of Canterbury in York County.

In 1984, the CRDC applied to the Department of Commerce and Development to have a study which would result in a strategy for conducting and governing the Commission's activities over the next five years.

This report is the result of that request. The final report consists of three related documents: a brief executive summary; this document which includes an assessment of the activities of the Commission, a diagnosis of the economic prospects for the region, and the major components of a strategy for the next five years; and an action plan for the Commission and General Manager in implementing the strategy.

The purpose of the strategy as proposed in this report is to serve as a mechanism for fine tuning the efforts of the Commission, maximize economic growth in the future and optimize the use of the Commission's resources in achieving this objective.

## 1.2 Objectives

The objective of the study as set out in the Terms of Reference was as follows:

- to provide an economic development strategy for the CRDC.

In addition, several specific sub-objectives were included in the mandate:

- to promote a cohesive regional approach to economic development;
- to assess the structure of the CRDC and the tools available to carry out its role and function in economic development;
- to provide the Board of Directors, General Manager and his staff with professional guidance in economic development; and
- to recommend an internal review procedure to monitor the performance of the CRDC on a continuing basis.

## 1.3 Approach

The focus of the strategy and this report is on the economic base of the region.

The economic base is the force behind economic growth and in the short and medium term it sets the level of economic activity. The economic base comprises those activities which satisfy demand from outside the region. The concept of the economic base applies to all sectors of the economy. As long as a good or service is destined for a market outside the region, it belongs to the economic base.

A strategy is the means by which the resources of the Commission should be deployed to reach its economic development objectives. In developing a strategy for the CRDC, our approach was oriented towards:

- understanding the economic base and its potential;

- identification of the growth avenues for the region;
- establishing priorities for deploying the limited resources of the Commission in a realistic fashion;
- coordination of the economic development "players" in the region; and
- developing systems for monitoring and re-adjusting the strategy on a regular basis.

The specific tasks undertaken are summarized in the following paragraphs.

The study team, with the assistance of the CRDC staff, prepared a comprehensive data base on all the basic firms in the region. This data base was used extensively throughout the study as a reference point for identifying sectoral growth, geographical activity, and areas of individual growth and strength.

Basic economic data for the region (population, unemployment, participation rates) was compiled to assist in understanding the region and to serve as a reference point for measurement of economic development activity.

Interviews were held with individual entrepreneurs, elected officials, members of the Commission, and staff of federal and provincial economic development departments. These interviews were used to obtain specific information as well as general impressions about the strengths and weaknesses of the region, the future potential of the region, and about the activities of the Commission. They also afforded the opportunity to test the likely success of various elements in the strategy.

The principal consultant met on several occasions with the General Manager to discuss ideas and approaches, obtain a better understanding of the region, and refine the strategy.

An interim report was presented to the Board, outlining the study teams' analysis of the region and its potential, to outline the broad strategic issues for the Commission and to obtain comments and reaction from the Board.

## 1.4 Organization

This report is divided into six chapters. This first chapter is the Introduction, giving the background to the study and approach.

Chapter 2 provides an analysis of region economy and its historic growth and its future potential.

Chapter 3 describes the Carleton Region Development Commission. The chapter discusses the structure of the commission, its activities, and its services. An assessment is also provided of the Commission's effectiveness.

Chapter 4 deals with the future direction of development in the Carleton Region, the strengths and weaknesses of the region, and the main growth avenues for the future.

Chapter 5 provides the economic development strategy for the region and outlines the major components of an action plan required for the implementation of this strategy. The strategy includes a statement of mission for the commission as well as a series of objectives and the actions required to meet these objectives. The chapter also discusses the on-going evaluation of the Commission's activities, monitoring and re-adjusting the strategic elements.

Chapter 6 provides a discussion of the Commission's organization in respect to the implementation of the strategy.

# 2.0 THE CARLETON REGION ECONOMY

## 2.1 Description of the Region

The total area covered by the CRDC amounts to 3,841 square kilometres. The population of the region is 26,015 (1981 census) and the population density is 6.8 persons per square kilometre. The region contains two towns and six villages. Both towns are service centres to a predominantly rural and agricultural-based population. A large portion of the region's economic activity is oriented towards the primary agricultural sector and to a lesser degree the forest industry. The region also contains a strong and dynamic manufacturing and processing sector which has grown from the primary base and has in recent years, expanded and diversified. The manufacturing sector today is more autonomous, and has diversified into varied markets.

## 2.2 Structure of the Economy

### 2.2.1 Population

The population of the Carleton Region in 1981 was 26,015, a very slight increase over the 1976 census of 25,936 and the 1966 census of 24,820. The annual population growth rate over the last fifteen years has been 0.3 percent. Over the last five years, annual growth has been negligible. Exhibit 2-1 illustrates the population structure of the region between 1966 and 1981.

EXHIBIT 2-1: POPULATION BY SUB-AREA, CARLETON REGION, 1966-1981

| Area | 1966 | 1971 | 1976 | 1981 | % Change 15 yrs. | % Change 5 yrs. |
|---|---|---|---|---|---|---|
| Woodstock | 4,442 | 4,846 | 4,912 | 4,649 | 4.7 | -5.4 |
| Hartland | 1,034 | 1,009 | 974 | 846 | -18.2 | -13.1 |
| Florenceville | 586 | 584 | 768 | 709 | 21.0 | -7.7 |
| Centreville | 518 | 566 | 606 | 577 | 11.4 | -4.8 |
| Meductic | 166 | 170 | 170 | 197 | 18.7 | 15.9 |
| Canterbury | 558 | 525 | 500 | 470 | -15.8 | -6.0 |
| Bath | 844 | 920 | 885 | 795 | -5.8 | -10.2 |
| Bristol | 671 | 770 | 860 | 825 | -23.0 | -4.1 |
| Rest of Region | 16,001 | 16,439 | 16,261 | 16,947 | 5.9 | 4.2 |
| TOTAL | 24,820 | 25,829 | 25,936 | 26,015 | 4.8 | 0.3 |

Source: Statistics Canada, Census of Canada, 1966-1981

This exhibit shows that population growth has followed different patterns in the towns and villages as opposed to the rural parts of the region. In the last five years, all urban areas, with the exception of Meductic, declined in population. The unincorporated areas of the region increased by 4.2% over the same period.

The age structure of the Carleton Region population is presented in Exhibit 2-2, with provincial data provided for comparative purposes. In the Carleton Region the population is aging at a rate substantially above the provincial average. The 65+ age group increased from 12% of the total

population in 1971 to 13% of the total population in 1981. Towns and villages are experiencing the most change. In Woodstock, 19% of the population is over 65 and in Hartland 20% of the population is over 65.

EXHIBIT 2-2: POPULATION BY AGE GROUP, CARLETON REGION, 1971 AND 1981

(%)

| | 1971 | | | 1981 | | |
|---|---|---|---|---|---|---|
| | 0-14 | 15-64 | 65+ | 0-14 | 15-64 | 65+ |
| Woodstock | 25 | 60 | 15 | 21 | 60 | 19 |
| Hartland | 14 | 62 | 14 | 21 | 59 | 20 |
| Florenceville | 30 | 63 | 8 | 22 | 67 | 11 |
| Centreville | 26 | 59 | 15 | 24 | 65 | 11 |
| Meductic | 35 | 56 | 9 | 26 | 62 | 13 |
| Canterbury | 27 | 56 | 17 | 22 | 62 | 16 |
| Bath | 30 | 57 | 13 | 25 | 59 | 16 |
| Bristol | 28 | 60 | 12 | 24 | 64 | 12 |
| Rest of Region | 33 | 58 | 9 | 27 | 62 | 11 |
| TOTAL REGION | 30 | 59 | 12 | 25 | 62 | 13 |
| PROVINCE | 32 | 59 | 9 | 25 | 65 | 10 |

Source: Statistics Canada, Census of Canada, 1971 and 1981

Along with (or part of) this phenomenon is the reduction in the region's working-age population. Whereas in 1971 the region's proportion of 15-64 population was the same as the province's, today it is less. People frequently stated that

the region's young people are leaving because of lack of opportunities - the data tend to reinforce that impression.

The age structure of the population has several implications for economic growth and general future prospects. The rapid aging of the population can have two distinctive impacts, one positive and the other negative. First, the higher proportion of the population age 65 and over can indirectly stimulate employment opportunities for the 15-64 age group, as the size of the labour force is effectively reduced. The second, and more negative effect on economic growth, is that entrepreneurship and dynamism may be reduced as a large segment of the population is no longer economically active.

A no-growth population also means that fewer new jobs are required to provide employment for those entering the labour force and, to the extent that the new job creation activity outpaces population growth, unemployment can be reduced.

### 2.2.2 Employment

Exhibit 2-3 provides an indication of the size of the labour force by industry sector for 1971 and 1981. Total employment in 1981 was 10,975, an increase of 13.5% over 1971. Of this total labour force, 1,890 (17.2%) jobs were in the primary sector; 2,985 (27.2%) jobs were in the secondary sector; and 6,100 (55.6%) jobs were in the tertiary sector.

EXHIBIT 2-3: SIZE OF THE CARLETON REGION LABOUR FORCE BY INDUSTRY, 1971 and 1981

| Sector | 1971 | 1981 | % Increase |
|---|---|---|---|
| Primary Sector | | | |
| Primary Industries | | | |
| Agriculture | 1,663 | 1,380 | -17.0 |
| Forestry | 380 | 494 | 30.0 |
| Fishing & Trapping | 17 | 0 | -100.0 |
| Extraction | 0 | 16 | --- |
| Sub-Total | 2,060 | 1,890 | -8.3 |
| Secondary Sector | | | |
| Manufacturing | 1,825 | 2,435 | 33.4 |
| Construction Industry | 505 | 550 | 8.9 |
| Sub-Total | 2,330 | 2,985 | 28.1 |
| Tertiary Sector | | | |
| Transportation, Communication and other utilities | 915 | 975 | 6.6 |
| Trade | 1,350 | 1,745 | 29.3 |
| Finance, Insurance and Real Estate | 175 | 230 | 31.4 |
| Community, Business and Personal Services Industry | 1,560 | 2,235 | 43.3 |
| Public Administration and Defence | 450 | 515 | 14.4 |
| Industry Unspecified or Undefined | 805 | 400 | -50.3 |
| Sub-Total | 5,255 | 6,100 | 16.1 |
| All Industries | 9,665 | 10,975 | 13.5 |

Source: Statistics Canada, Census of Canada, 1971 and 1981

The primary sector, traditionally the mainstream of the region's economic activity, experienced an overall decline in employment of 8.3%. In particular, agricultural employment declined from 1,663 jobs in 1971 to 1,380 in 1981 (a 17% decline). While forestry registered an increase from 1971-1981, the recession which took place in 1982, and the continued sluggishness of the forestry sector, have probably eliminated much of this growth.

The secondary and tertiary sectors experienced major employment growth between 1971 and 1981. Over this ten year period, manufacturing employment increased by 33.4% and the tertiary sector employment grew by 16.1%. Tertiary sector growth has been higher in: trade (29.3%); finance, insurance and real estate (31.4%); and community, business and personal services (43.3%).

The largest employment sector in the Carleton Region is manufacturing with 18.9% of total employment in 1971 and 22% of total employment in 1981.

The only decline between 1971 and 1981 occurred in the agricultural sector. As a percentage of the total labour force, agricultural employment declined from 17.2% of the total employment in 1971 to 12.6% in 1981. The decline in agricultural sector employment has been steady as a result of several factors:

- farms have become larger, more mechanized and efficient and have in consequence, reduced their employment;
- agriculture holdings have declined; and
- the amount of land actually used for crops has also declined.

EXHIBIT 2-4: DISTRIBUTION OF THE LABOUR FORCE BY INDUSTRY, CARLETON REGION AND NEW BRUNSWICK, 1971 and 1981

| Sector | Carleton Region 1971 (%) | Carleton Region 1981 (%) | New Brunswick 1971 (%) | New Brunswick 1981 (%) |
|---|---|---|---|---|
| Primary Industries | 21.3 | 17.2 | 8.5 | 8.0 |
| Agriculture | 17.2 | 12.6 | 3.0 | 2.4 |
| Forestry | 3.9 | 4.5 | 3.0 | 3.1 |
| Fishing & Trapping | 0.2 | 0.0 | 1.1 | 1.1 |
| Extraction | 0.0 | 0.1 | 1.4 | 1.4 |
| Manufacturing | 18.9 | 22.2 | 17.6 | 16.4 |
| Construction Industry | 5.2 | 5.0 | 7.3 | 7.2 |
| Transportation, Communication and Other Utilities | 9.5 | 8.9 | 11.1 | 9.1 |
| Trade | 14.0 | 15.9 | 16.7 | 16.7 |
| Finance, Insurance and Real Estate | 1.8 | 2.1 | 2.9 | 3.6 |
| Community Business and Personal Service Industry | 16.1 | 20.4 | 24.4 | 27.3 |
| Public Administration and Defence | 4.7 | 4.7 | 9.8 | 9.5 |
| Industry Unspecified or Undefined | 8.3 | 3.6 | 1.1 | 2.2 |
| All Industries | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Statistics Canada, Census of Canada, 1971 and 1981

Exhibit 2-4 provides comparative data on employment in the Carleton Region with provincial employment figures.

The Carleton Region's industrial structure is unique in several ways. Manufacturing represents 22.2% of the region's employment, much higher than the provincial average

of 16.4%. Primary industries account for 17.2% of total compared to only 8.0% for the province. As this would suggest, the tertiary sector is much less important in Carleton than provincially. New Brunswick service sector employment represents 68.4% of all jobs, whereas in the Carleton Region services only accounts for 55.6% of jobs.

### 2.3.3 Unemployment

The region has one of the lower unemployment rates in the province although there are pockets within the region where unemployment is high. In 1981, unemployment in the region was 10.0%, as compared to a provincial average of 13.0%. Within individual communities, unemployment ranges from a low of 4.0% to a high of 16.1% (see Exhibit 2-5).

EXHIBIT 2-5: UNEMPLOYMENT AND PARTICIPATION RATES BY MUNICIPALITY

| | Unemployment Rate (%) | Participation Rate (%) | |
|---|---|---|---|
| | | Male | Female |
| Bath | 6.8 | 68.6 | 40.7 |
| Bristol | 7.7 | 78.3 | 38.7 |
| Canterbury | 16.1 | 61.1 | 25.0 |
| Centreville | 14.1 | 78.0 | 34.8 |
| Florenceville | 4.0 | 81.1 | 52.5 |
| Hartland | 8.5 | 73.5 | 30.0 |
| Meductic | 5.3 | 64.7 | 50.0 |
| Woodstock | 8.8 | 71.5 | 46.3 |
| Region | 10.0 | 72.5 | 41.9 |
| Province | 13.0% | 72.0% | 44.8% |

Source: 1981 Census

The male participation rate[1], is highest in communities such as Florenceville, Bristol and Centreville which have manufacturing and processing activity and lowest in Canterbury, Meductic and Bath which have less activity and a higher proportion of elderly. Female participation rates show greater variance than male rates and are less than the provincial average. This is largely due to the number of women in the non-wage farm economy, working on family farms, but not considered as being in the labour force.

## 2.3 The Economic Base

The economic base is the key to the economy of any region. The economic base includes essentially all the economic activity of the region which produces goods for export outside the region. Most primary sector and manufacturing activities are part of the economic base since they rely on the market beyond the region itself for their existence.

In the Carleton Region, the economic base consists of about 4,500 jobs. The sectors which are included in the economic base include:

- primary sectors;
- manufacturing and processing;
- trucking; and
- community college education and research.

Specifically excluded from the base are the activities which are totally internal to the region (non-basic activities) such as the following:

- municipal governments;

1 The participation rate is a measure of the level of activity. It is the ratio of the labour force (those working and looking for work) to the working age population of the region.

- provincial and federal government services delivered only in the region (for example, public health nursing, motor vehicle registration, post office); and

- firms servicing only the region (for example, retail stores, insurance brokers).

Employment in the economic base is not the same as total employment in the region, since much of the region's employment is in the non-basic sector. Exhibit 2-6 provides an approximate breakdown of employment in the economic base. The total economic base employment of 4,500 represents approximately 41% of total employment in the region.

EXHBIIT 2-6: EMPLOYMENT IN THE ECONOMIC BASE, 1984

| | |
|---|---|
| Primary - Agriculture | 1,300 |
| - Forestry | 400 |
| Manufacturing | 2,200 |
| Trucking | 550 |
| Agriculture Research, Extension, Community College, Tourism | 50 |
| TOTAL | 4,500 |

DPA Estimates
Note: employment has been rounded to the nearest hundred

An analysis of each of the groups in the economic base is provided in the sections which follow.

## 2.4 Primary Activities

Between 1971 and 1981, primary sector employment declined by 170 from 2,060 to 1,890, an 8.3% decline. As was discussed

previously, primary activities declined as a percentage of total regional labour force from 21.3% in 1971 to 17.2% in 1983.

Primary activities are divided into three major groups:

- Agriculture;
- Forestry; and
- Extraction.

Exhibit 2-7 summarizes primary sector employment, by industry group, in 1981.

EXHIBIT 2-7: PRIMARY SECTOR EMPLOYMENT, 1981

| Category | 1981 Employment | % of Primary Activities |
|---|---|---|
| Agriculture | 1,380 | 73.0 |
| Forestry | 494 | 26.2 |
| Extraction | 16 | 0.8 |
| TOTAL | 1,890 | 100.0 |

Source: Statistics Canada, Census of Canada, 1981

## 2.4.1 Agriculture

Agriculture is the most important primary activity with 1,380 jobs, representing 73% of primary activity.

The potato industry is the major component of the agriculture sector. New Brunswick has been steadily losing ground in the out-of-province potato markets. Quebec and Ontario which have been New Brunswick's biggest markets are becoming more self-sufficient. The U.S., primarily as a result of pressure from Maine growers concerned with the high volume of imports, is becoming more protectionist. It

is possible that the region's agriculture employment will decline even more rapidly if there is no significant turnaround in the potato industry.

### 2.4.2 Packing Lines - a Special Case

Potato and apple packers are considered primary activities. In 1984, there were 11 plants employing 198 people (see Appendix A1A). Of these, three were apple packing plants (17 employees), and 8 were potato packing plants (181 employees). Employment in these operations is seasonal. There is an excess of capacity with the region as a result of very rapid expansion encouraged by a government program to increase the number of plants in the late 1970's. These plants also compete with on-farm packing lines which have also increased in number. The industry is now being rationalized with some plants closing for lack of product or market.

### 2.4.3 Forestry

Forestry is the second major activity with 494 jobs or 26.2% of total primary employment.

These figures from the 1971 and 1981 censuses all precede the major recession of 1982 and its impact on the forestry sector. A current estimate of employment in forestry would indicate that the employment is substantially less than it was in 1981. Recently, a major sawmill and its related woods operation was closed. Decreases in employment or at best, a maintenance of existing employment can be expected over the next few years. The forestry sector is directly linked to the general economic health of the economy particularly the housing industry. This industry is also affected by mechanization to the extent that increased mechanism is inevitable, future employment will also be slowed down.

### 2.4.4 Mining and Extraction

This is a fairly insignificant component, representing only 16 jobs in the economic base. There are no new developments expected in terms of mineral deposits or mining activity.

## 2.5 Manufacturing Activities

Exhibit 2-8 shows the nature of job creation within the manufacturing sector. The exhibit shows by sector, where the new jobs have been created and the numbers created by new firms. Of a total of 55 firms, 18 (or one-third) have been established in the last five years. These new firms have created virtually all of the net new jobs in the region, accounting for 250 out of the total of 274.

From an analysis of the individual firms listed in Appendix A, the 274 net new jobs consisted of the following activity:

. 152 new jobs created by existing firms;

\+ . 250 jobs created by new firms;

\- . 129 jobs lost in existing firms.

### 2.5.1 Food and Beverage (Appendix A.1, 8 firms, 1,207 jobs)

Food and beverage is the largest sector within the manufacturing base accounting for a total of 8 firms and 1,207 jobs in 1984. Between 1979 and 1984, the sector grew by 7%. Three companies dominate the food and beverage sector: McCain Food Limited with 924 employees; Karnes Kitchen with 130 employees; and Humpty Dumpty Foods Ltd. with 86 employees. The latter was re-established in the Hartland area in 1983 after having been closed for several years as a result of a fire.

The food and beverage sector created 82 new jobs betwen 1979 and 1984. However, both McCain's and Karnes Kitchen actually reduced their employment levels during the five year period. Employment growth in this sector will likely be modest or stabilize at current levels over the next five years.

2.5.2 Sawmills (Appendix A.2, 9 firms, 507 jobs)

A total of 51 net new jobs were created in this sector between 1979 and 1981. The sawmill sector is well established in the region and is mature. Of the nine firms in the sector, seven are controlled locally. Between 1979 and 1984, one new firm, JEF in Woodstock, was created. This firm currently employs 60 persons and is projecting to reach employment levels of 75 by 1989. However, future employment opportunities for the remainder of the sector will be limited and employment may actually decline over the next five years. The largest sawmilling firm, J.D. Irving Limited in Deersdale is projecting no increase above the current 150 employment level. The Juniper Lumber Company in Stickney has recently closed. This operation employed 65 persons in 1979. Another major sawmill firm includes the Juniper Lumber Company Ltd. in Juniper which employs 125 people.

Forest-based industries have been severely affected by the economic recession. In addition the expansion of primary industries (particularly small sawmill operations), is severely restricted by a limited supply of wood resources. There will not likely be any significant expansion in this sector over the next 5-10 years, and further contraction is a strong possibility.

2.5.3 Machinery Industries (Appendix A.3, 1 firm, 135 jobs)

Thomas Equipment Ltd. is the one machinery industry in this sector, specializing in the manufacturing of agricultural equipment. Since 1979, Thomas Equipment has experienced substantial growth. Employment increased from 105 in 1979 to 135 in 1984. By 1989, the firm expects to have approximately 220 employees. Thomas Equipment is almost exclusively export-oriented, with 98% of sales outside the Carleton Region.

2.5.4 Transportation Equipment Industries (Appendix A.4, 8 firms, 126 jobs)

This sector has been a fairly strong performer since 1979, with the number of jobs increasing by 19. Two new firms have been created since 1979: Everal Metal Working Ltd. in Wakefield with 10 employees and Jim's Rebuilding Centre in Waterville with 3 employees. The largest firm in the sector, Craig's Machine Shop Ltd. in Hartland declined by 10 jobs between 1979 and 1984. BWS Manufacturing in Centreville increased employment from 20 to 35 jobs, and Metalfab in Centreville from 12 to 15 jobs. Prospects for this sector over the next five years are very promising and the larger firms are all projecting increased production and employment levels.

2.5.5 Other Manufacturing Industries (Appendix A.5, 3 firms, 45 jobs)

Employment in this sector increased from 26 in 1979 to 45 in 1984, a 73% increase. The largest firm, Sabian Ltd. in Meductic employed 33 people in 1984, and is projecting employment levels to reach 50 by 1989. Two new firms, both manufacturers of dolls, were added the sector since 1979 providing 12 new jobs.

2.5.6 Wood Industries (Appendix A.6, 5 firms, 37 jobs)

The number of jobs in this sector increased by 2 between 1979 and 1984. New job creation resulted from the expansion of McLaughlin Roof Trusses Ltd. from 10 to 14 employees and from the addition of Bristol Woodworking (1984) Ltd. to the manufacturing base. All other firms in the sector experienced declines during the five year period. Future prospects for this sector are mixed. Two of the above mentioned firms are anticipating growth in employment while the other firms are forecasting stable employment.

2.5.7 Chemical Products (Appendix A.7, 2 firms, 33 jobs)

The largest firm in this sector is McCain Fertilizer Ltd. which employs 28 people. Employment is stable and is not expected to increase by 1989. The other firm in this sector, Hartland Agro-Mart Ltd. is also a fertilizer manufacturer. This firm was founded in 1983 and currently employs 5 people. The sector should continue to remain stable.

2.5.8 Printing, Publishing and Allied Industries (Appendix A.8, 3 firms, 28 jobs)

This sector added 13 new jobs since 1979. One new firm was created, Eagle Printing Ltd. in Hartland which employs 6 people. Hartland Publishers Ltd. is the largest firm in this sector employing 15 people in 1984. The third firm is Henley Publishing Ltd with 7 employees in 1984.

2.5.9 Non-Metallic Mineral Products (Appendix A.9, 4 firms, 23 jobs)

This sector gained only 3 jobs between 1979 and 1984. White's Precast Concrete Ltd. increased employment by 4, the only firm adding new jobs to the manufacturing base.

White's is the only firm in this sector which exports outside of the region. Employment to 1989 will likely remain stable at current levels.

2.5.10 Metal Fabricating Industries (Appendix A.10, 3 firms, 12 jobs)

Employment in this sector grew by 71% between 1979 and 1984 and one new firm was established in that time. The three firms in the sector include: Agro-Tech Ltd., Mead's Machine Shop Ltd. and Smalley's Welding & Repair Ltd. All firms employed 4 people each in 1984. The new addition to the sector was Agro-Tech Canada Ltd., established in 1982. This firm is primarily export-oriented and is expecting to increase employment by 1989. The other firms are projecting no increase in the current employment levels.

2.5.11 Petroleum and Coal Products Industries (Appendix A.11, 1 firm, 19 jobs)

The one firm in this sector is Warren Maritimes Ltd. which manufactures asphalt and gravel. This firm is one of the oldest in the manufacturing base, established in 1902. The firm lost 1 job between 1979 and 1984 and is expecting to remain at the current level of 19 jobs by 1989.

2.5.12 Furniture and Fixture (Appendix A.12, 3 firms, 18 jobs)

This sector has added 14 new jobs since 1979. All of this increase resulted from the creation of two new firms: Streetcraft with 4 employees; and Rainbow Manufacturing with 10 employees. The principal activities of Streetcraft include custom woodworking while Rainbow Manufacturing produces waterbed frames. This sector should expand production and employment over the next five years.

2.5.13 Paper and Allied (Appendix A.13, 2 firms, 10 jobs)

This sector represents a new addition to the manufacturing base since 1979. The two firms (Tann Paper and EFA) each account for five of the 10 jobs in the sector. Tann paper manufactures cigarette tipping paper and EFA produces cigarette tubes. Both firms are projecting employment levels of 20 by 1989. This represents an increase of 30 jobs over the next five years. The firms are completely export-oriented with 100% of sales outside of the region.

2.5.14 Textile Products Industries (Appendix A.14, 1 firm, 9 jobs)

The one firm in this sector, Cox's Shoe Store Tarp Division Ltd. employed 9 persons in 1984. The firm manufactuers and repairs tarps for trucks. Approximately 70% of the firm's sales are outside if the region. Over the next five years the firm should continue to grow.

2.5.15 Electrical Products Industries (Appendix A.15, 1 firm, 5 jobs)

Hartland Armature Works Ltd. is the one firm in this sector, specializing in electrical repair. Approximately 25% of the firm's sales are outside of the region. The firm is projecting employment levels to reach 10 jobs by 1989.

2.5.16 Rubber and Plastic (Appendix A.16, 1 firm, 5 jobs)

The one firm in this sector is Valley Retreading which specializes in the manufacturing and retreading of tires. The firm does not export outside of the region. Current employment levels are at five jobs and no increases are expected over the next five years.

EXHIBIT 2-8: THE MANUFACTURING BASE: ITS STRUCTURE

| | FIRMS | | EMPLOYMENT | | | |
|---|---|---|---|---|---|---|
| SECTOR | NO. OF FIRMS IN 1984 | FIRMS CREATED SINCE 1979 | 1979 | 1984 | NET NEW JOBS SINCE 1979 | JOBS CREATED BY NEWLY CREATED FIRMS |
| FOOD & BEVERAGE | 8 | 2 | 1,127 | 1,209 | 82 | 102 |
| SAWMILLS | 9 | 1 | 456 | 507 | 51 | 62 |
| FURNITURE & FIXTURES | 3 | 2 | 4 | 18 | 14 | 14 |
| TRANSPORTATION EQUIPMENT | 8 | 2 | 107 | 126 | 19 | 13 |
| NON-METALLIC MINERAL PRODUCTS | 4 | 2 | 8 | 23 | 15 | 13 |
| OTHER MANUFACTURING PRODUCTS | 3 | 2 | 26 | 45 | 19 | 12 |
| PAPER & ALLIED | 2 | 2 | 0 | 10 | 10 | 10 |
| WOOD INDUSTRIES | 5 | 1 | 35 | 37 | 2 | 6 |
| PRINTING AND PUBLISHING | 3 | 1 | 15 | 28 | 13 | 6 |
| CHEMICAL PRODUCTS | 2 | 1 | 28 | 33 | 5 | 5 |
| ELECTRICAL PRODUCTS | 1 | 1 | 0 | 5 | 5 | 5 |
| METAL FABRICATING | 3 | 1 | 7 | 12 | 5 | 4 |
| MACHINERY INDUSTRIES | 1 | 0 | 105 | 135 | 30 | 0 |
| PETROLEUM COAL PRODUCTS INDUSTRIES | 1 | 0 | 20 | 19 | -1 | 0 |
| TEXTILE PRODUCTS | 1 | 0 | 4 | 9 | 5 | 0 |
| RUBBER & PLASTIC | 1 | 0 | 5 | 5 | 0 | 0 |
| TOTAL | 55 | 18 | 1,947 | 2,221 | 274 | 250 |

Source: CRDC Survey of Manufacturing firms. These changes are those which occurred in firms which existed in 1984 and do not include firms which closed between 1979 and 1984.

## 2.6 Trucking

Truck transportation is an important component in the economic base due to the dominance of Day and Ross and the large transportaion market which this company serves.

Most of the firm's activity is oriented toward "exporting" of trucking service. It is the policy of Day and Ross to contract out virtually all of its work to independent drivers who own their own vehicles. This has led to a high degree of entrepreneurism in the region, with individual owner/operators investing in their own tractors and subcontracting their services to Day and Ross. Spinoff activity around the trucking industry has also resulted, including relining of brake shoes, manufacture of tarps, truck repair shops and refrigeration servicing. It is estimated that approximately 550 people are directly employed in trucking either as employees of larger firms or owner/operators. An approximate breakdown of the industry by employment size is as follows:

| Number of Employees | Number of Firms or Owner/Operators | Employment |
|---|---|---|
| 0-20 | 100 | 155 |
| 21-100 | 3 | 120 |
| 100+ | 2 | 275 |
| TOTAL | 105 | 545 |

## 2.7 Other Basic Activities

There are a limited number of other activities in the region which form part of the economic base.

### 2.7.1 Community College

The Woodstock campus of the Community College provides courses in business, health care communications. These courses represent "exports" from the region to the extent that they attract students from outside the area. The new Community College has resulted in an increase in employment from 29 to 38 and student enrollment from 205 to 271.

### 2.7.2 Agriculture Research and Development

Services such as the Bon Accord Seed farm, the agriculture office in Wicklow, and the N.B. Potato Agency office in Florenceville are also, to some extent, basic activities since they export services to growers in other regions as well as Carleton.

### 2.7.3 Customs

The Houlton/Woodstock border crossing is one of the most active in the province. The number of tourists entering Canada amounted to 297,000 in 1977 and 227,000 in 1980. The employment of the customs service is part of the economic base of the region. In 1984, employment at the border crossing amounted to 28 full-time employees and 7 part-time employees to handle peak loads in the summer.

### 2.7.4 Tourism

The region contains 220 units of hotel/motel accommodation. Some of the motels operate year-round, while others are seasonal. It is estimated that there are 50 full-time equivalent employees in motels in the region, plus approximately as many in restaurants, campgrounds and other direct tourism-related services. Not all of this employment should be considered to be in the base, however, since many

of the facilities, particularly restaurants, serve a local, or business travel market.

### 2.7.5 Other Basic Activities - Summary

The four areas mentioned above, while not significant in terms of the total basic employment in the region, do contribute an estimated 50 jobs to the total.

## 2.8 The Changing Structure of the Economic Base

The economic base of the Carleton region is moving gradually from one which is heavily resource-dependent to a greater dependence on the manufacturing sector and trucking to maintain regional employment. The size of the base has remained relatively stable over the last five years, but this is because manufacturing and other secondary activity has absorbed all of the employment loss from the primary sector. Exhibit 2-9 shows the approximate make-up of the base in 1979 as compared to 1984.

EXHIBIT 2-9: CHANGE IN THE ECONOMIC BASE OF CARLETON REGION 1979-1984

| | 1979 Employment | % | 1984 Employment | % |
|---|---|---|---|---|
| Primary - | | | | |
| Agriculture | 1,450 | 33 | 1,300 | 29 |
| Forestry | 500 | 11 | 400 | 9 |
| Manufacturing | 1,950 | 44 | 2,200 | 49 |
| Trucking | 500 | 11 | 550 | 12 |
| Agriculture Research, Extension, Community College, Tourism | 50 | 1 | 50 | 1 |
| TOTAL | 4,450 | 100 | 4,500 | 100 |

Primary industries have dropped from 44% of all employment in 1979 to 38% in 1984. Manufacturing and trucking have picked up the balance.

## 2.9 Non-Basic Activities

The non-basic or service sector is relatively well developed, with most of the basic business services required by the region's firms, such as accounting, legal, engineering, printing and transportation services being available.

In relation to agriculture and trucking, there is a dynamic service support industry and most services such as engine rebuilding, repairs, welding services and the like are available. As the trucking industry has grown, more services have been added locally. A good example is a diesel injection shop which was recently established by a local firm. This firm is now providing this service throughout the region. The equipment service industry has also experienced steady growth from U.S. customers who are bringing equipment to Canada for service to take advantage of the favourable exchange rate.

One area where services may be inadequate is warehousing and storage. The region has very little vacant storage space for rent or for sale. While there is no evidence that this may be impeding growth of any local businesses, there have been inquiries from national distributors seeking a central New Brunswick location who have been unable to find space.

The region has some fairly dynamic and expanding head office activity. Day and Ross and McCain's are the most evident examples, but several smaller firms also have head offices in the region and sell their services or operate businesses

in other areas. Creighton Carter, a distributors of automotive products and Henley Publishers, a publisher of regional newspapers are two such firms. This type of activity creates administrative jobs in the region.

The retail base of the region is relatively well-developed for the region as a whole. There is considerable integration of the smaller areas with Woodstock through retail activity and other services such as medical, hospital, restaurants etc. Some of the smaller communities are attempting to expand their retail activity. The town of Hartland has established a private initiative to construct a new downtown complex to improve the quality and variety of stores available.

In Florenceville and Bristol particularly, retail space is at a premium. While there is interest in both communities in developing space to accommodate additional stores, there is also a "wait and see" attitude to assess the impact of the new development in Hartland before proceeding with any local plans.

# 3.0 CARLETON REGIONAL DEVELOPMENT COMMISSION

## 3.1 Provincial Context

The CRDC is one of twelve economic development commissions in New Brunswick. All of the commissions in the province have been created within a general policy and framework, established by the Department of Commerce and Development and receive financial assistance from the department within the context of its framework. A copy of the policy document is included as Appendix B to this report.

The major features of the provincial guidelines involve the following:

- industrial commissions are associations formed by resolutions of participating municipalities with their Boards of Directors appointed by these participating municipalities;
- commissions are to foster economic development by
  - assisting in the creation, identification and expansion of business in all sectors
  - adopting a focus which is broader than industrial development alone; it should include coordination of commercial, tourism and primary sector activity;
- commissions are to act as liaisons between business and government departments;
- commissions support government actions in out-of-province new industry development (the commissions' activities are, however, confined to assisting the department and commissions are not permitted to undertake external promotion activity on their own);
- commissions are expected to assist in the promotion of the Small Industry Financial Assistance Program (SIFAP) of the Department of Commerce and Development and in the evaluating and analysis of applications under the program.

In most commissions, the administration of all industrial land is also part of its mandate. However in the case of the CRDC this responsibility has never been delegated by the two municipalities which have industrial parks (Woodstock and Hartland).

## 3.2 The CRDC

### 3.2.1 Historical Development of the CRDC

The CRDC was established in 1981 by the municipalities of Bath, Bristol, Canterbury, Centreville, Florenceville, Meductic, and Woodstock. The membership was expanded in 1983, with the addition of the Town of Hartland.

The corporation opened for business in January 1982.

The CRDC is established as an autonomous corporation, incorporated under the New Brunswick Companies' Act.

### 3.2.2 Territory

The territory covered by the CRDC includes Carleton County plus that part of York containing the Villages of Canterbury and Meductic. The bylaws do not specify exactly the territory covered in York County, but the Province has established the boundary as being Canterbury Parish, including the Villages of Canterbury and Meductic.

All businesses in the region are treated equally whether or not they come from a participating municipality.

### 3.2.3 Organization

Control and operation of the CRDC is the responsibility of a Board of Directors. The Board is made up of sixteen

members. Two members are appointed by each of the member municipalities. Members are appointed for a one year term and can be re-appointed. The by-laws require that at least one-half of the members shall have served for one earlier term. The officers consist of a Chairman, Vice-Chairman, Secretary and Treasurer which are elected by the directors from among their own members on an annual basis.

Board membership is limited exclusively to appointees from the member municipalities. These municipalities represent 35% of the population and 73% of the manufacturers in the region.

## 3.3 Services Offered

The CRDC is the main economic development agency in the region and is the primary point of contact for most of the small businesses seeking information or assistance with new business start-ups or expansions. Larger firms with extensive administrative resources who deal with senior levels of government such as DRIE on major expansion programs, tend not to require or use the services of the CRDC.

The services offered by the Commission include:

- assistance in obtaining funds for new ventures;
- making introductions for businessmen with appropriate government officials;
- offering advice to entrepreneurs and potential entrepreneurs;
- working with some of the less developed municipalities to find new ventures and businesses;
- lobbying on behalf of clients with FIRA, DRIE, etc.;

- after-care of businesses, including follow-up support contact;
- assisting business in finding space.

In the past two fiscal years, twenty-two projects have been approved for funding under Commerce and Development's SIFAP program involving a total of $548,341 in grants, and creation of 101 new jobs. In the same time period, six new large projects have been approved for funding by DRIE, involving $2,283,087 in grants and creation of 200 jobs. It is notable that there was a substantial increase in the number of grants approved under the SIFAP program after the formation of the CRDC in 1982.

## 3.4 Resources

### 3.4.1 Budget

The operating budget for the Commission for 1984-85 amounted to $78,600. Commerce and Development's share of this budget amounted to $70,700, representing 90% of the total costs. The eight municipalities share the balance of the costs. Their contribution is divided according to population. Individual municipalities' contributions were as shown below.

| Municipality | Contribution | % of Total |
|---|---|---|
| Bath | $ 695 | 8.8 |
| Bristol | 719 | 9.1 |
| Canterbury | 411 | 5.2 |
| Centreville | 506 | 6.4 |
| Florenceville | 616 | 7.8 |
| Hartland | 735 | 9.3 |
| Meductic | 174 | 2.2 |
| Woodstock | 4,053 | 51.3 |

The CRDC's budget is currently comfortably below the Department of Commerce and Development's ceiling for contributions at the 90% rate. Thus, any further increases

in the budget of the Commission in the forseeable future should continue to be shared by the province at the current 90-10 participation rate.

### 3.4.2 Staff

The staff of the CRDC consists of two full time employees, the General Manager and a secretary.

Additional temporary staff have been added through special job creation funds for a summer work or student cooperatives program. Students have been used on two occasions: once to compile a data base of regional manufacturers as input to this study; and on a second occasion to update the regional directory of firms and services.

### 3.4.3 Staff Activities and Time Allocation

The General Manager estimates that his time during the course of a year is spent approximately as follows:

- 65% working with or for clients directly;
- 10% administration;
- 25% travel visiting government officials, commissioners' business etc.

There are records kept of the numbers of contacts made by type of contact and these are reviewed monthly by the General Manager. Reports of the General Manager to the Board meetings reflect the results-oriented approach of the Commission. The reporting style is a good one and focusses on specific accomplishments of the Commission such as the number of jobs created, the number of grants submitted and new firms assisted. Although there are not at present targets set for these types of activities, the reporting system does reflect an orientation toward the real business of economic development.

There is no system for annual goal setting, evaluation or monitoring of results. This is one element which should be introducted into the Commission's operation and used as a regular reporting tool. It will help to measure the success of the strategy and fine-tune it where necessary as well as provide a framework for monitoring the General Manager's activity and results.

### 3.4.4 Physical Facilities

During the course of the study, the CRDC relocated its offices. The premises currently occupied are a mainstreet storefront location in downtown Woodstock. The location provides excellent visibility for the Commission and should increase the amount of walk-in business as well as improving the image and recognition of the Commission. This was a problem with the previous location which was not readily visible from the street and where the accommodations were not conducive to confidential conversations. The new premises project an image of an organization on the move in considerably more professional surroundings.

## 3.5 Assessment of Commission Activities

### 3.5.1 Community Perceptions

The consultants conducted interviews with entrepreneurs throughout the region. The level of awareness of the Commission and its activities was varied. Some of those interviewed were not aware that the CRDC existed. In other cases, the services of the Commission had been used extensively.

During the CRDC's three years of existence, there has been a strong indication that its profile has been improving continuously. The new premises should add substantially to the CRDC's image regionally. We sensed during our interviews that the community understands the role of the Commission and does tend to use its services as the front line for applying for economic development assistance. Whereas in some other regions it is not uncommon for entrepreneurs to go directly to the Department of Commerce and Development without first using the services of the commission, this does not appear to be the case with the CRDC.

### 3.5.2 Board Activities

The CRDC meets every second month, except during the summer vacation period. As a result, there are five regularly scheduled meetings per year. Meetings are primarily used to transact the business of the corporation, receive reports from the General Manager, the Treasurer and any of the committees.

The Board has had some difficulty in the past in getting a quorum at its meetings. The main problem appears to be four or five board members who, for various reasons, miss most meetings. With a 50% attendance required for a quorum, this leaves the Commission little room to manoeuvre if one or two other members are out of town, ill or unable to attend. The executive is addressing the problem by seeking new appointments from the nominating municipalities to replace the more inactive board members.

## 3.6 Major Issues Regarding CRDC Organization and Operation

There are three issues which of concern with regard to the CRDC operation:

The need to re-orient the board from administration to the business of economic development. Economic development is as much as anything the creation of a positive attitude and a spirit of interest and excitement in the community. Board members should be positive, dynamic, creative people. They need to project an image of confidence and faith in the future of the region. The CRDC should be seen to be a prestigious force in the community and it should be considered as an honour to serve and a privilege to be appointed. The search for new board members should focus on identifying individuals relfecting this attitude and view.

Goal setting and evaluation. The General Manager is well focussed in terms of his sense of priorities and achievement of results. His effectiveness could be enhanced by establishing specific targets and reviewing performance on a regular basis in relation to targets.

Assisting the General Manager. Each of the board members could be playing a more active role in stimulating new business or encouraging expansions among his own circle of contacts and/or in his own municipality. Laying this kind of groundwork could greatly increase the effectiveness of the General Manager.

# 4.0 ASSESSMENT OF THE REGION AND ITS POTENTIAL

## 4.1 The Regional Economy

The regional economy is a strong and relatively healthy one. Employment is continuing to grow, despite reductions in the primary sector, the traditional employment base of the region. In comparison to most other areas in the province and indeed in Atlantic Canada, the region's growth and employment levels are high. Employment has continued to increase at a rate in excess of the population growth.

The population is aging with the result that the total regional labour force is not likely to grow in future at a rate faster than the overall growth rate of the region's population.

The region is diversifying its base away from resources such as agriculture and into manufacturing and processing.

The key for the future will be to keep adding new basic activities outside of the primary sector to offset expected losses in agriculture and forestry.

There remain some pockets of stagnant economic activity where one or two small successes could make a significant difference in terms of the overall employment in these areas.

Although growth in the past has been strong in comparison to other areas of the province, the CRDC must avoid the temptation to be complacent about the need for economic development. Future development will not necessarily mirror past successes without some strong intervention on the part of the Commission.

## 4.2 Strengths and Weaknesses of the Region

In order to develop a strategy for economic development, it is important that the players have a good understanding of their relative strengths and weaknesses so that the former can be exploited to the fullest and the latter be recognized as contraints to the overall mission.

### 4.2.1 Strengths

#### Low Cost Labour Force

Many of the manufacturing firms attribute much of their growth to the fact that there is a loyal, hard working labour force in the region. Furthermore, the rural nature of the region tends to result in average salary levels below the equivalent rates in urban centres.

#### A Major Employer Provides a Stable Income Base

The McCain family and their associated businesses account for approximately 40% of all the manufacturing jobs in the region. Historically, employment levels have been stable and there have been "no surprises". There has been no history of lay offs, major shutdowns or other threats which can seriously destabilize a single-industry economy.

#### Excellent Physical Location Relative to the United States

The Carleton Region has perhaps the best location of any in the Atlantic Provinces in terms of its road access to the U.S. and U.S. markets. It is the major border crossing for most of the tourists entering Canada from the United States as well as for most of the goods entering by truck. The region is also adjacent to a U.S. trade area of approximately 25,000 U.S. residents and should be in a position to exploit the advantageous exchange rates in

providing services and repairs to the agriculture and forest industry of Maine.

During the course of the study, a duty-free shop was approved for the Woodstock/Houlton border crossing. This will provide approximately 10 jobs and increase the level of border-related activity. The CRDC can also use this development in its promotional activity to emphasize the importance of, and opportunities created by, being close to the border.

A Healthy and Dynamic Manufacturing Sector

The manufacturing sector has been very successful in finding new markets for its products and expanding to provide these products. There are a number of dynamic entrepreneurs and role models who can be expected to continue to create new jobs and set the standards for new entrepreneurs.

A Closely Knit, Integrated Economy

The residents of the region are mobile, and travel regularly to other parts of the region to work, shop and seek out services. There is no evidence of strong parochial attitudes which can be very divisive in attempting to develop a comprehensive strategy.

### 4.2.2 Weaknesses

Declining Resource Base

The agriculture and forestry sectors are in a state of decline in terms of both employment and overall level of activity. The decline in jobs in these sectors must therefore be offset by corresponding increases elsewhere in the regional economy.

The CRDC's Scope is Limited to a Maximum of 1,500 Jobs

Although the economic base of the region consists of approximately 4,500 jobs, in fact the number which the CRDC can influence is only approximately one-third of this number. The primary sector (with about 1,700 jobs) is not one on which the CRDC can expect to have any significant impact and the influence of McCain's (approximately 1,300 jobs in firms they directly own) is extremely strong and its areas of activity for all practical purposes and beyond the scope of the CRDC activity.

The Regional Entrepreneurs are Getting Older

They are more likely to be content with maintaining their businesses at a relatively stable level and not striving for the growth which they have had in the past.

The Potato Industry is in Trouble

New Brunswick growers are slowly losing their traditional markets. Competition is increasing as are tariff and other international barriers. The industry will need to make some fundamental changes in its marketing practices in order to prevent any further erosion of its market.

## 4.3 Avenues of Growth

Future growth in the region is likely to come from five main avenues, as discussed below.

### 4.3.1 Manufacturing

During the past five years, the manufacturing sector has accounted for virtually all of the growth in the economic base of the region.

In conjunction with the General Manager of the CRDC, the consultants reviewed the list of all manufacturers in the region, and classified them according to a system which identifies firms as:

- dynamic;
- good potential;
- limited potential; and
- large firms.

The allocation of the firms into the four groups is based on criteria which encompasses the following:

- employment growth 1979-1984;
- employment projection to 1989;
- export outside of the Carleton Region; and
- other business performance indicators (such as sectoral performance, managerial ability, product capability and prospects).

Exhibit 4-1 summarizes the job creation activity of each class of firm.

Of the total 55 manufacturing firms in the base, eight are classified as dynamic. These firms increased employment by 196% between 1979 and 1984. Two of these firms are less than five years old. For the six firms existing in 1979 the growth rate was 111%. The eight dynamic firms created 60% of all the manufacturing jobs.

There are 16 firms in the good potential category, ten of which were created since 1979. Among these firms, there was a 53% increase in employment. Several of the good potential firms have the potential to become "dynamic" firms and can be expected to move to that category over the next five years.

EXHIBIT 4-1: THE MANUFACTURING BASE: ITS POTENTIAL

| CLASSIFICATION OF FIRMS | FIRMS NO. OF FIRMS IN 1984 | FIRMS CREATED SINCE 1979 | EMPLOYMENT 1979 | EMPLOYMENT 1984 | EMPLOYMENT % INCREASE | % INCREASE IN FIRMS EXISTING IN 1979 |
|---|---|---|---|---|---|---|
| DYNAMIC | 8 | 2 | 82 | 243 | +196% | +111% |
| GOOD POTENTIAL | 16 | 10 | 131 | 201 | +53% | +8% |
| LIMITED GROWTH POTENTIAL | 23 | 5 | 196 | 225 | +15% | -3% |
| DESTINED TO CLOSE | 2 | 0 | 87 | 0 | -100% | -100% |
| LARGE FIRMS | 6 | 1 | 1,451 | 1,550 | +7% | +1% |
| TOTAL | 55 | 18 | 1,947 | 2,221 | +14% | +5% |
| LARGE FIRMS (NOT MANUFACTURING) | 2 | 0 | 201 | 272 | +35% | +35% |
| GRAND TOTAL | 57 | 18 | 2,148 | 2,493 | +16% | +7% |

There are 23 firms in the limited potential category. Overall growth in employment amounted to 15%, all of which came from new firms. Among the 18 firms over five years old, there was actually a loss in employment.

Two firms in the manufacturing base in 1979 are destined to close. Both firms combined, employed 87 people in 1979.

Large manufacturing firms increased employment by 7% between 1979 and 1984. There were six firms in 1984 employing a total of 1,550 people compared to 1,451 in 1979. Of the firms existing in 1979, the growth rate was only 1%.

Two other large firms (both in the trucking industry) increased their employment by 35% over the five year period.

### 4.3.2 Exploitation of the Proximity to the U.S.

The location of the region at the gateway to I-95 and the proximity to a substantial U.S. market are advantages which will lead to additional activity. In excess of 200,000 U.S. tourists cross the border at Woodstock annually and other border crossings are also active. This is also the major crossing point for trucking potatoes and other goods, with good access to markets in New England. Finally, the U.S. residents close to the border represent an important market for services in the region, particularly where the low cost of labour and the favourable exchange rate can reduce costs to the U.S. customers. The similar economic base in agriculture and forestry in Maine means that the region's manufacturers and service businesses are providing complementary products and services.

### 4.3.3 Expansion of Trucking and Truck-Related Activity

The trucking industry should continue to expand, with much of the growth being led by the success of Day and Ross. The company is well positioned in its markets and ready for a "boom" which will occur with the eventual de-regulation of the industry. Furthermore, with its location on the Trans Canada, Carleton region is a pass-through area for virtually every truck heading through the Maritimes from Upper Canada. The region has developed a strong service industry (repairs, rebuilding, truck stops etc.) around its own trucking activity and should be able to make use of this strength to expand its market and service a wider trucking market.

### 4.3.4 "Head Office" Activity

Carleton region is the centre for several service industries which run multi-branch operations. There is head office activity in printing, auto parts, trucking, pharmaceutical and consumer products. The region has several dynamic non-basic entrepreneurs with a good pool of savings available for investment.

### 4.3.5 Potatoes

Potatoes are, and will continue to be, a mainstay of the regional economy despite the problems in the industry. There remains a lot of potential in this sector, but the potential lies in finding and exploiting small niches in the market, or new uses for potatoes, particularly culls. The emphasis, therefore, needs to be on markets and product development as opposed to production, and these are areas where the Commission has some tools at its disposal and some capability to intervene. The new Federal-Provincial Sub-Agreement on agriculture provides specifically for market-related activity and there are funds available for studies into new markets or the feasibility of new products. If only to slow the inevitable rate of decline in agriculture, this is an important area for the Commission's involvement.

## 4.4 Potential Employment

Having identified the likely avenues of growth for the region, their potential impacts on employment can be estimated. These are shown in Exhibit 4-2.

EXHIBIT 4-2: EMPLOYMENT POTENTIAL

| | 1979 | 1984 | 1989 | Increase 1984-1989 |
|---|---|---|---|---|
| PRIMARY | | | | |
| Agriculture | 1,460 | 1,300 | 1,150 | (150) |
| Forestry | 500 | 400 | 350 | (50) |
| Total | 1,960 | 1,700 | 1,500 | (200) |
| MANUFACTURING | | | | |
| (Existing Firms) | | | | |
| Dynamic | 80 | 240 | 480 | 240 |
| Good Potential | 130 | 200 | 250 | 50 |
| Closures | 90 | -- | (100) | (100) |
| Others | 1,650 | 1,775 | 1,800 | 25 |
| Total | 1,950 | 2,215 | 2,430 | 215 |
| TRUCKING | 500 | 550 | 650 | 100 |
| NEW FIRMS | -- | -- | 250 | 250 |
| | 4,410 | 4,465 | 4,830 | 365 |
| Annual Growth Rate | | | 1.6% | |

These are optimistic job creation levels, although not out of line with the experience of the past five years.

In the primary sector, the historic rate of employment decline which has occurred in the past should be anticipated for the next five yeras. The region can therefore expect to lose 200 jobs in agriculture and forestry by 1989. There is little that the CRDC can do about these declines directly. Indirectly, the "saving" of a sawmill destined to close, or assisting a packer to develop some new market niche for potatoes, could mitigate the losses.

The CRDC directly affects job creation in the manufacturing sector. The CRDC should be able to achieve rates of growth experienced during the last five years. The Commission was only in operation for three of these five years. Dynamic firms currently in business should double their employment levels. Good potential firms should be expected to produce an additional 50 jobs (a 25% increase). Large firms and low potential firms should not add to the new jobs, but the CRDC should ensure that they do no worse than hold existing levels.

After allowing for 100 jobs to be lost through closures of firms, the existing manufacturing firms should be able to add 215 new jobs to the economic base.

Trucking should continue to grow. The region should be able to double the rate of increase experienced over the last five years, with new head office activity at Day and Ross, the positive impacts of deregulation, and an increasing volume of shipments to the U.S. as more manufacturers move to sell their products in the States. The total job creation potential in trucking is 100 jobs over the next 5 years. The creation of new firms is the final area where the region can expect to obtain additional jobs. The potential for new firms is 250 jobs - an increase over the number of jobs created in the last five years - but equivalent to the pace of jobs creation since the establishment of the CRDC.

There is a potential for the creation of 365 net new jobs in total over the next five years. Due to anticipated closures and reductions in the primary sector, adding 365 net new jobs to the base will actually mean creating 665 new jobs in the base. This is equivalent to 133 new jobs per year.

## 5.0 THE STRATEGY

The purpose of this chapter is to provide a strategy for the continued development of the region. David Birch, a leading writer and researcher on the development of small business, has called the economic development agency's job "shooting with a rifle and not a shotgun". The purpose of the strategy is to make the CRDC better rifle shooters by focussing on those components of the economy which offer the greatest payoff for a given level of effort.

The challenge for the region is a large one. While there is good integration and considerable mobility throughout the region, the Commission's job is made difficult by the relatively small portion of the base on which it can have some influence. Excluding the primary sector and the large McCain controlled firms, the Commission's sphere of influence is really based around approximately 1,500 jobs in the small to medium sized firms in the base. While an increase of 365 jobs in a base of 4,500 does not seen like an unrealistic target, an increase of 365 in a base of 1,500 jobs is a much more difficult undertaking. While the influence of the large firms is a powerful one and beyond the Commission's scope, nevertheless it will be important for the CRDC to have these large firms "on side" and supporting the Commission's activity.

### 5.1 Mission Statement

A strategy begins with a statement of the mission. For the CRDC, we suggest the following:

> "to create jobs in manufacturing, trucking and selected services to replace all anticipated resource base employment losses and result in a net increase in jobs which exceeds the rate of population growth."

The six goals of the Commission in pursuing this mission include:

- stimulating the expansion of existing manufacturers;
- creation of new local manufacturing firms;
- capitalizing on the region's location relative to the U.S.;
- making Carleton region the "trucking capital of Atlantic Canada";
- expanding non-basic businesses into "export" activity;
- finding new opportunities for marketing and processing of potatoes.

Specific objectives for each of these goals are described in the following section. A separate action plan will set out the specific activities to be carried out in meeting these objectives. However, there are several principles throughout the strategy which will be important in relating objectives to the action plan:

- The Commission's resources are limited. In essence the only real resource the commission has is the time of the staff. It is important that this time be used in a focussed effort to maximize the results. The choice of priorities on staff time is therefore a key element in the implementation of the strategy.

- There are other players who can be co-opted. The region contains many dynamic, creative entrepreneurs. Their energies can also be harnessed in an effort to create the conditions and stimulate more growth. The CRDC also has good linkages with government employees involved in economic development activity in FBDB,

Commerce and Development, DRIE etc. The CRDC should make the maximum use of these resources in its activity.

- Concentrate on the Economic Base. There are always demands on staff time by non-basic firms or individuals interested in starting up such ventures. Time spent with these is time taken from the real business of economic growth. Local non-basic activity should respond naturallly to the changes in demand stimulated by the basic firms. Local basic firms do not necessarily respond as quickly to new opportunities in the non-local marketplace.

## 5.2 Goals and Objectives

Specific objectives relating to each of the six goals are provided below:

### 5.2.1 Stimulating the Expansion of Existing Manufacturers

The Commission's objective for expansion of existing firms is 215 jobs. As shown in the previous sections, most of the new manufacturing jobs created from 1979-1984 in the region were generated by a small number of firms. The "dynamic" firms created 60% of all of the new jobs.

The Commission should focus its attention on its dynamic firms as the major source of the new job creation needed. It should do this by a very pro-active approach to these firms. The objective should be to get at least half of these firms to expand every year. These firms should know that they are the CRDC's "stars" and that the Commission will make all of its services available at any time. The firms should be visited at least every other month by the General Manager to discuss the prospects, and encourage applications for assistance.

The list of dynamic firms should be updated annually with firms added or deleted according to their performance.

The General Manager should also work with the "good potential" firms to achieve similar results. The objective should be to "promote" some of these firms to the dynamic category. Regular contact, although less frequent, should be maintained with this group.

Large firms are a special case. Normally, the General Manager has little room to manoeuvre with these firms, and they are not major sources of new jobs. However, it is a good idea to keep in regular contact, say twice annually, with the president or CEO to be kept abreast of plans. Also, good internal "networks" in these firms are important to receive signals of impending closures, expansions or other developments and to offer the CRDC's services accordingly.

Within the "low potential" category, the General Manager should identify, for each firm, a list of opportunities or actions which could increase their activity. This might be "find new market opportunity" or "find a buyer for the firm" and review these every six months or so.

### 5.2.2 New Firms

The CRDC should set an objective of 250 jobs in new basic firms. This amounts to about 50 new firms with 5 employees each. The objective should be to start with 5-8 such firms in the first year, increasing the number annually until a level of 12 new firms is obtained by year 5. The region has a good track record in entrepreneurism, although the entrepreneurs are clustered geographically and by industry. The Commission's main thrust in the creation of new firms

should be targetted at improving attitudes about entrepreneurism and reducing the risks to the new entrepreneur. Activities such as "entrepreneur of the year" awards, recognizing one of the "star" firms as a role model, and obtaining the maximum possible publicity for each regional success, will heighten the enthusiasm and raise the value of local entrepreneurship. Special efforts should be directed at the particularly underdeveloped communities in the region to achieve one or two small "successes" to start the ball rolling.

### 5.2.3 Capitalizing on the Proximity to the U.S.

The CRDC can take the leadership in a number of activities designed to benefit from location of the region relative to the U.S.

In the area of tourism, the CRDC has a captive market of 200,000 vehicles per year at the Houlton/Woodstock border crossing point. This should be taken advantage of as a "stage" for selling the region to entering tourists with the objective being to lengthen their stay. The CRDC should take the lead in creating a Tourist Association to sponsor a summer project to hire students to meet tourists at the border crossing, perhaps staging a show such as juggling or other entertainment, and passing out literature and coupons for the facilities in the region.

Once the Tourist Association has successfully tackled one major project of this nature, the momentum should be available to embark on other tourism-related projects, such as:

- the designation of the region as a tourism destination area;
- supporting the development of the headpond/Woodstock area for boating; and

. all-season tourism.

Finally, the region is ideally located for local U.S. firms wanting to establish Canadian facilities to take advantagee of exchange rates, tariffs or access to Canadian markets. The CRDC should carry out promotional efforts on the American side of the border with a view to making the Commission's services known in the Houlton area.

### 5.2.4 Make Carleton the "Trucking Capital of Atlantic Canada"

The region will continue to grow as a major trucking centre. The CRDC's objective should be to obtain the maximum potential spinoff from trucking activity. One way to do this is to keep in contact with truckers, repair shops, sales outlets etc. to identify opportunities for import replacement and match these up with appropriate firms.

A second approach is using truck stops to promote services in the area to non-local truckers. The objective should be to make Carleton the place to stop in the Maritimes for servicing for all the truckers' needs.

### 5.2.5 Expanding Non-Basic Export Activities

The General Manager should maintain a list of the dynamic non-basic entrepreneurs in the region and encourage them to investigate possibilities for establishment of branch locations or takeover of non-local operations. Not only will this create new "head office" activity, but if operations become large enough they may expand into new manufacturing, assembly or warehousing operations. The General Manager should devote some of this time each week to contacting these entrepreneurs and set an objective of five new head office operations over the next five years.

## 5.2.6 The Potato Industry

The potato industry represents a particular challenge. It is an industry where there are already many major actors, including government, the Potato Agency, Potatoes Canada, shippers, growers and researchers. Nevertheless, the industry lacks a focus despite the existence of some good entrepreneurs. The CRDC can play the role of a co-ordinator and stimulus to start some projects going in this sector.

The new Canada-New Brunswick Agriculture Sub-Agreement has funds available for marketing and feasibility studies. The General Manager should act as a promoter to try to get different ventures started. In the first instance, this will involve working with one of the dynamic packers or shippers to identify some ideas then apply for funding for the one or two with the greatest potential. Some ideas were suggested during the study which merit this type of follow-up:

- experimenting with freeze-drying potatoes as part of a cattle feed mix;
- organizing a group of seed shippers under a common brand to offer a "top of the line" seed service and product for growers in the U.S.;
- examining the market for small packs of seed for the home gardener with high quality point of purchase support;
- consumer attitude surveys on varieties in the Quebec and Ontario Markets with a view to packing specific varieties under a brand name; and
- lobbying with CIDA to increase the purchases of potato flakes, starch and other products in its food aid programs.

The Commission should set an objective of two good projects studied per year with at least four being implemented over the next five years, resulting in 20 new jobs being created.

A second thrust should be to increase the amount of research conducted in the region. The region hosts the Bon Accord seed farm, but most of the research activity is carried out in Fredericton. The CRDC should attempt, over time, to have more of this activity shifted to Bon Accord or Wicklow over the next five years.

## 5.3 The Action Plan

A separate Action Plan accompanies this report sets out activities for each objectives mentioned in the previous section. The Action Plan, as the name implies, is a planning tool for the Commission which can and should be updated and revised on a regular basis. It is not "cast in stone" and should be altered as needed to take account of changing situations and changing circumstances.

## 5.4 Monitoring and Evaluation

The CRDC should develop a simple monitoring mechanism for tracking its success relative to the objectives. In this way the commission can evaluate the results of the strategy on a regular basis. We suggest two basic monitoring systems which should be adopted are a checklist of new firms and jobs and a time sheet.

The checklist of firms and jobs can be maintained by the secretary and updated by telephone each quarter. The information can compare progress relative to sectoral, geographic or firm classification objectives.

A time sheet for recording daily activity under a small number of headings is a useful tool for the General Manager. It provides an indication of how time is spent relative to the "time budget" of the staff and helps to maintain a focus on results.

## 6.0 ORGANIZATION

As the major agency of economic development in the region, it is important that the board set a climate of optimism and reflect some of the region's important successes. The commission needs to "talk to" business and business must feel comfortable working with the Commission.

To properly do its job and set the tone for economic development in the region, the Commission should ensure an active participation by entrepreneurs as well as municipal officials. Entrepreneurs should be appointed for their knowledge of a particular sector, their contacts or community image, and their dynamism. The Commission will find that entrepreneurs will be prepared to express their views and offer advice to the board without any sense of loyalty to a particular community. They understand the climate and the needs of the Commission's clientele. They will generally have an orientation toward companies and projects and not be concerned about budgets or other administrative problems of the commission. The municipal politicians on the board will provide a balance in this respect.

Municipalities have a responsibility for the funds they have committed to the CRDC and elected officials should be present on the board to ensure proper financial control and to approve annual budgets.

Appointments to the board should be made with a view to maintaining a balance between municipal politicians and entrepreneurs. The board should also contain a representative from the major economic sectors of the region, particularly those which are key elements in the strategy, such as:

. manufacturing;
. trucking;
. the potato industry;
. forestry; and
. the service sector.

The formal length of term on the board should also be specified in the bylaws, as well as common dates of appointment and termination. This will avoid the possibility of the board losing most of its members in any given year; and allow for an orderly annual transition and orientation period; and provide for a regular process of renewal and "new blood".

We would propose the following method of board appointments as a means of achieving a balance of participants while maintaining the municipalities' control over board appointments.

. Each municipality continue to appoint two members;

. At least one representative be appointed from among entrepreneurs in the municipality or surrounding area;

. The municipality should consult with the Executive and General Manager before making its appointment. The purpose would be to identify individuals who fit the Commission's needs for representation from a particular sector or with a particular expertise.

We would further recommend that the following formal terms of office be incorporated into the bylaws:

- members serve two year terms and can be reappointed (maximum 3 terms);

- stagger municipal-political appointments so half turn over each year;

- stagger entrepreneur appointees similarly;

- in the transition year, one-half the elected officials and one-half the business appointees would be nominated for a one year term, the others for a two year term to allow for the staggering procedure to take effect.

We also recommend that the President and Vice-President continue to be elected by the board, although neither should serve more than one two-year term in the position.

An annual orientation program for new board members should be developed and presented at a special session following the annual meeting but before the next regular commission meeting.

Finally, in order to provide for continuity and education of executive members, we recommend that the executive be used as a ladder system for training and development of potential leaders, with the Vice-President being considered President-Elect and other executive members moving up the ladder each time there is a change in the President.

# APPENDIX A

## THE MANUFACTURING BASE

A1A SERVICE INDUSTRIES INCIDENTAL TO AGRICULTURE (S.I.C. MAJOR GROUP NO. 2)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Northern Carleton Potato Packers Ltd. | 1983 | Local | Florenceville | Potato Packer | 100% | - | 40 |
| Gemvak Ltd. | 1978 | Local | Woodstock | Potato Packer | 100% | 35 | 35 |
| Rainbow Produce Ltd. | 1982 | Local | Hartland | Potato Packer | 0% | - | 30 |
| Paul Bubar & Sons | 1972 | Local | Hartland | Potato Packer | 98% | 12 | 28 |
| Ralph Culberson and Sons Ltd. | 1982 | Local | Jacksontown | Potato Packer | 75% | - | 17 |
| M. Rose & Son Ltd. | 1959 | Local | Woodstock | Potato Packer | 98% | 7 | 12 |
| Cougle's Transfer Ltd. | 1971 | Local | Bloomfield | Potato Packer | 50% | 7 | 10 |
| Ervin Canan Ltd | 1960 | Local | Upper Kent | Potato Packer | 98% | 9 | 9 |
| Estabrook's Dry Goods Ltd. | 1977 | Local | Grafton | Apple Packer | 80% | 7 | 8 |
| Allan Dukeshire and Sons Ltd. | 1969 | Local | Grafton | Apple Packer | 95% | 4 | 6 |
| Sterling Lamoreau & Sons Ltd. | 1976 | Local | Centreville | Apple Packer | 100% | 1 | 3 |
| TOTAL | | | | | | 198 | 193 |

A.1 FOOD INDUSTRIES (S.I.C. MAJOR GROUP NO. 10)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| McCain Foods Ltd. | 1956 | Local | Florenceville | Mfg. Frozen Foods | 1% | 940 | 924 |
| Karnes Kitchen Ltd. | 1945 | Non-Local | Woodstock | Mfg. Baked Goods | 75% | 136 | 130 |
| Humpty Dumpty Foods Limited | 1983 | Non-Local | Hartland | Mfg. Snack Foods | 95% | -- | 86 |
| Carleton Cooperative Limited | 1948 | Local | Florenceville | Feed Mill and Butter Products | 0% | 31 | 28 |
| Grama's Bake Shop Ltd. | 1981 | Local | Centreville | Baked Goods | 50% | -- | 16 |
| Taylor's Feed & Tires Ltd. | 1970 | Local | Centreville | Feed Mill | 50% | 7 | 12 |
| Hunter's Poultry Farm Ltd. | 1972 | Local | Florenceville | Eggs | 50% | 7 | 7 |
| N.B. Seed Growers' CoOp Ltd. | 1946 | Local | Hartland | Feed and Grain Terminal | 25% | 6 | 6 |
| TOTAL | | | | | | 1,127 | 1,207 |

A.2 SAWMILLS INDUSTRIES (S.I.C. MAJOR GROUP NO. 25)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| J.D. Irving Ltd. | 1966 | Non-Local | Deersdale | Cut & Saw Wood Products | 100% | 150 | 150 |
| Juniper Lumber Co. Ltd. | 1977 | Local | Juniper | Cut & Saw Lumber | 100% | 120 | 125 |
| Friendly Supply Ltd. | 1976 | Local | Woodstock | Mfg. of Fences | 99% | 20 | 75 |
| Juniper Lumber Co. | 1977 | Local | Stickney | Cut & Saw Lumber | 90% | 80 | 65 |
| JEF | 1982 | Local | Woodstock | Mfg. of Fences | 100% | - | 60 |
| H.J. Crabbe & Sons Ltd. | 1946 | Local | Bristol | Sawmill | 80% | 34 | 35 |
| W.K. Lumber Ltd. | 1976 | Local | Houlton Road | Mfg. Hardwood Lumber | 99% | 23 | 23 |
| Maritime Lumber Limited | 1975 | Local | Woodstock | Hardwood and Softwood Lumber | 95% | 15 | 22 |
| William F. Tompkins | 1971 | Local | Bath | Cut & Saw Lumber | 10% | 14 | 17 |
| TOTAL | | | | | | 456 | 507 |

A.3 MACHINERY INDUSTRIES (EXCEPT ELECTRICAL MACHINERY) (S.I.C. MAJOR GROUP NO. 31)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Thomas Equipment Ltd. | 1964 | Local | Centreville | Mfg. of Agricultural Equipment | 98% | 105 | 135 |
| TOTAL | | | | | | 105 | 135 |

A.4 TRANSPORTATION EQUIPMENT INDUSTRIES (S.I.C. MAJOR GROUP NO. 32)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Craig's Machine Shop Ltd. | 1945 | Local | Hartland | Mfg. of Large Equipment | 85% | 60 | 50 |
| BWS Manufacturing Ltd. | 1967 | Local | Centreville | Mfg. of Large Equipment | 90% | 20 | 35 |
| Metalfab Ltd. | 1967 | Local | Centreville | Mfg. of Agricultural Equipment | 90% | 12 | 15 |
| Everal Metalworking Ltd. | 1983 | Local | Wakefield | General Steel Work | 0% | - | 10 |
| Stockford's Welding & Spring Service Ltd. | 1977 | Local | Woodstock | Welding & Repair of Vehicles | 0% | 5 | 5 |
| Aero Mfg. Ltd. | 1977 | Local | Jacksontown | Fibreglass Slpr Cabe; TVRO Ant. | 96% | 7 | 4 |
| T.C. Trailer & Welding Service Ltd. | 1970 | Local | Woodstock | Welding of Steel Products | 0% | 3 | 4 |
| Jim's Rebuild Centre | 1983 | Local | Waterville | Rebuilding of Refrig. Units | 50% | - | 3 |
| TOTAL | | | | | | 107 | 126 |

A.5 OTHER MANUFACTURING INDUSTRIES (S.I.C. MAJOR GROUP NO. 39)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Sabian Ltd. | 1981 | Local | Meductic | Mfg. of Musical Cymbals | 100% | 26 | 33 |
| Plumpkins Ltd. | 1983 | Local | Woodstock | Mfg. of Soft Sculptured Dolls | 95% | -- | 8 |
| Anne Marie Badgley | 1984 | Local | Waterville | Mfg. of Porcelain Dolls | 90% | -- | 4 |
| TOTAL | | | | | | 26 | 45 |

A.6 WOOD INDUSTRIES (S.I.C. MAJOR GROUP NO. 25)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| McLaughlin Roof Trusses Ltd. | 1977 | Local | Wakefield | Mfg. Roof Trusses | 50% | 10 | 14 |
| Garant Inc. | 1968 | Non-Local | Woodstock | Sawing of Wooden Handles | 100% | 12 | 10 |
| Fred Hemphill & Sons Ltd. | 1932 | Local | Glassville | Customized Wooden Tools | 90% | 6 | 5 |
| Bristol Woodworking (1984) Ltd. | 1984 | Local | Bristol | Woodwork, Mouldings & Doors | 90% | -- | 6 |
| Uniwall Cedar Homes Ltd. | 1972 | Non-Local | Hartland | Mfg. Doors, Trim and Mouldings | 100% | 7 | 2 |
| TOTAL | | | | | | 35 | 37 |

A.7 CHEMICAL AND CHEMICAL PRODUCTS INDUSTRIES (S.I.C. MAJOR GROUP NO. 37)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| McCain Fertilizer Ltd. | 1966 | Local | Florenceville | Blending of Fertilizer | ? | 28 | 28 |
| Hartland Agromart Ltd. | 1983 | Local | Hartland | Blend Agr. Chemicals & Fertilizers | 25% | - | 5 |
| TOTAL | | | | | | 28 | 33 |

A.8 PRINTING, PUBLISHING AND ALLIED INDUSTRIES (S.I.C. MAJOR GROUP NO. 28)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Henley Publishing Ltd. | ? | Local | Woodstock | Publishing and Printing | 70% | 2 | 7 |
| Hartland Publishers Ltd. | ? | Local | Hartland | Publishing and Printing | ? | 13 | 15 |
| Eagle Printing Ltd. | 1983 | Local | Hartland | Commercial Printing | 5% | -- | 6 |
| TOTAL | | | | | | 15 | 28 |

A.9 NON-METALLIC MINERAL PRODUCTS INDUSTRIES (S.I.C. MAJOR GROUP NO. 35)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Beton Brunswick Ltee. | 1980 | Non-Local | Florenceviille | Concrete Products | 0% | -- | 12 |
| White's Precast Concrete Ltd. | 1977 | Local | Centreville | Mfg. of Precast Concrete | 90% | 3 | 7 |
| Upper Kent Lime Works Ltd. | 1964 | Local | Upper Kent | Lime Mfg. & Mining | 0% | 5 | 3 |
| Rockwell's Ceramics | 1977 | Local | Hartland | Mfg. & Del. of Ceramic Slip | ? | -- | 1 |
| TOTAL | | | | | | 8 | 23 |

A.10 FABRICATED METAL PRODUCT INDUSTRIES (EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT INDUSTRIES) (S.I.C. MAJOR GROUP NO. 30)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Agrotech Canada Ltd. | 1982 | Local | Debec | Mfg. Plastics Greenhouses | 95% | -- | 4 |
| Meed's Machine Shop Ltd. | 1943 | Local | Bristol | Mfg. & Design Machinery | 20% | 4 | 4 |
| Smalley's Welding & Repair Ltd. | 1976 | Local | Florenceville | Mfg. & Weling of Farm Machinery | 0% | 3 | 4 |
| TOTAL | | | | | | 7 | 12 |

A.11 REFINED PETROLEUM AND COAL PRODUCTS INDUSTRIES (S.I.C. MAJOR GROUP NO. 36)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Warren Maritimes Limited | 1902 | Non-Local | Woodstock | Asphaltic Concrete & Gravel | 0% | 20 | 19 |
| TOTAL | | | | | | 20 | 19 |

A.12 FURNITURE AND FIXTURE INDUSTRIES (S.I.C. MAJOR GROUP NO. 26)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Rainbow Mfg. | 1984 | Local | Woodstock | Mfg. Waterbed frames | 80% | -- | 10 |
| Sercerchi Upholstery | 1971 | Local | Woodstock | Upholstered Furn. | 20% | 4 | 4 |
| Streetcraft | 1984 | Local | Hartland | Custom Woodwork | 0% | -- | 4 |
| TOTAL | | | | | | 4 | 18 |

A.13 PAPER AND ALLIED PRODUCTS INDUSTRIES (S.I.C. MAJOR GROUP NO. 27)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Tann Paper | 1984 | Non-Local | Woodstock | Cigarette Tipping Paper | 100% | -- | 5 |
| ESFA | 1984 | Non-Local | Woodstock | Cigarette Tubes | 100% | -- | 5 |
| TOTAL | | | | | | -- | 10 |

A.14 TEXTILE PRODUCTS INDUSTRIES (S.I.C. MAJOR GROUP NO. 19)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Cox's Shoe Store Tarp Div. Ltd. | 1971 | Local | Grafton | Tarp Mfg. and Repair | 70% | 4 | 9 |
| TOTAL | | | | | | 4 | 9 |

A.15 ELECTRICAL & ELECTRONIC PRODUCTS INDUSTRIES (S.I.C. MAJOR GROUP NO. 32)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Hartland Armature Works Ltd. | 1983 | Non-local | Hartland | Electric Motor Repaired | 25% | - | 5 |
| TOTAL | | | | | | - | 5 |

A.16 RUBBER PRODUCTS INDUSTRIES (S.I.C. MAJOR GROUP NO. 15)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Valley Retreading & Sales Ltd. | 1979 | Local | Hartland | Mfg. & Retreading of Tires | 0% | 5 | 5 |
| TOTAL | | | | | | 5 | 5 |

A.17 TRANSPORTATION INDUSTRIES (S.I.C. MAJOR GROUP NO. 45)

| FIRM | FOUNDATION | CONTROL | LOCATION | ACTIVITIES | % OF SALES OUTSIDE REGION | EMPLOYMENT 1979 | EMPLOYMENT 1984 |
|---|---|---|---|---|---|---|---|
| Day & Ross Ltd. | 1953 | Local | Hartland | General Transportation | ? | 111 | 156 |
| A.W. Foster | ? | Local | Hartland | General Transportation | 80% | 90 | 116 |
| TOTAL | | | | | | 201 | 272 |

# APPENDIX B

## GOVERNMENT POLICY ON REGIONAL

## ECONOMIC DEVELOPMENT COMMISSIONS

1. It is the policy of the government that the economic growth of the various regions of the province shall be fostered by Regional Economic Development Commissions representing their respective regions. These Commissions shall be independent corporations formed by resolution of the participating municipalities with a board of directors appointed by the municipalities. All Provincial Government departments and agencies involved in the economic development of the province shall be cognizant of the services provided by the commissions and wherever possible, shall involve the local Regional Economic Development Commission in their economic activity as it pertains to the region.

2. The fostering of economic growth by the Regional Economic Development Commission is further defined in the following functions:

A) The Regional Economic Development Commission shall assist in the identification, the creation and expansion of business in all sectors of economic activity.

The focus of the Commissions shall be broader than industrial development alone, although the latter is of prime importance. In addition, the Commission where appropriate will be involved with the stimulation of economic activity by co-ordinating commercial, tourism and the primary sector developments, and by providing a mechanism through which businessmen may be made aware of the services of Government.

B) The Regional Economic Development Commission shall act where necessary as an interface and liaison between local business and organizations and different government departments and agencies and other outside-the-region private organizations in matters pertaining to the economic development of the region.

C) The Regional Economic Development Commission shall assist in the establishment of an economic infrastructure and environment conducive to economic growth. This includes industrial parks and sites and other major infrastructure projects such as seaports, railways, airports and major roads that contribute to the economic development to the region. Specific exclusions shall be the administration of social development programs and municipal services.

D) The Regional Economic Development Commissions shall play a supportive role in out-of-province new industry development. The prime responsibility of this function shall rest with the Department of Commerce and Development. The Commissions' activities in this area shall be confined to assisting the Department and no external promotional activities shall be undertaken without consultation with the Department to avoid duplication of effort and investor confusion.

E) The Regional Economic Development Commission shall assist in the promotion of the Small Business Assistance Program. In addition, the Commissions shall provide a supportive role to the Department of Commerce and Development in the evaluation and analysis of applications under this program.

F) Where negotiated agreements exist, the Regional Economic Development Commissions shall be responsible for the administration of all publicly owned industrial lands in their respective regions.

3. The Regional Economic Development Commissions shall establish a set of operational and functional objectives to direct its activities. These shall be reviewed by the Commissions annually.

4. The Government will provide funding assistance to the operating costs of the Regional Economic Development Commisisons. The participating municipalities must also contribute to the operating costs. The items considered by the Government for funding assistance will be confined to actual operating expenses and will not include any contingency funds.

5. The Regional Economic Development Commissions shall in accordance with negotiated agreements accumulate revenues received from sale of industrial lands and assets in capital accounts for the exclusive purpose of future investment in industrial infrastructure.